

~~SECRET~~

OXC - 0171

15 December 1959

MEMORANDUM FOR : Deputy Director (Plans)
 THROUGH : Acting Chief, DPD ^{DD.}
 SUBJECT : Reconsideration of Number of Articles in OXCART
 Procurement Schedule

1. The number of 12 a/c originally established for procurement in this program was picked at a time when some dependence on advanced bases was necessary. I think the rationale went about as follows:

3 a/c @ each of 2 advanced bases	6
3 a/c @ ZI test base	3
3 a/c to cover destruction test article if needed and possible losses in test program	3
	<u>12</u>

2. In line with the idea of a single ZI test-operational base a case can be made that as few as 9 or 10 a/c would be sufficient without sacrifice of margins included above. While such a reduction in numbers would result in much less than a corresponding 20 - 25% reduction in total procurement cost, it does offer a means of some cost reduction.

3. Kelly has noted in his progress report letter #3 of 30 November that such items as a/c bearings are being cost quoted at 20 - 40 times the usual price. He has also told us that the quotations from [REDACTED] others are unexpectedly high. Perkin Elmer likewise have shocked us price wise.

25X1A5a1

4. If this question is to be re-examined it would be appropriate to do so at once since Kelly is anxious to place [REDACTED] an order for titanium material in large quantities in order to realize preferential delivery and price.

25X1A9a SIGNED

25X1A9a

CH/DB/DPD-DD/[REDACTED]

Distribution:

- Orig ~~2~~ - Addressee
 1 - AC/DPD
 1 - Contracts/DPD
 2 - CH/DB/DPD
 1 - RI

DOCUMENT NO. 67
 NO CHANGE IN CLASS. X
 (U) DECLASSIFIED
 CLASS. CHANGED TO: TS S C 2012
 NEXT REVIEW DATE: _____
 AUTH: HR 70-2
 DATE 10/18/82 REVIEWER: 010958

~~SECRET~~